

NAMES OF SEVEN "TAX EVADERS" CALLED

JAPAN FORMALLY DECLINES TO CUT SIZE NAVAL GUNS

Foreign Minister Hirota So Advises U. S. Ambassador Joseph C. Grew At Tokyo

STATEMENT REPLY TO MR. ROOSEVELT

Made After Approval Of Emperor Hirohito; Italy Adheres To Demand for 14-Inch Limitation, Instead of 16-Inch Guns; Japanese Assent Needed

Tokyo, June 18.—(AP)—Foreign Minister Koki Hirota formally informed United States Ambassador Joseph C. Grew today Japan was unable to change her decision against limiting the size of naval guns to 14 inches.

The foreign minister spoke with the approval of Emperor Hirohito. His statement was in reply to a proposal by President Roosevelt.

ITALY STICKS TO DEMAND FOR 14-INCH GUN LIMITS

Rome, June 18.—(AP)—The press published an official note today which said Italy maintained her adherence to proposals for a 14-inch gun limitation, but an accord on such limitation could have no effect without Japanese agreement.

NEGRO SLAYER NOW HELD IN STATE PEN

Sheriff Says William Perry Admitted Motive Was Assault on Landlord's Wife

Raleigh, June 18.—(AP)—William Perry, 18-year-old farm hand, was held in State Prison today after Sheriff C. H. Andrews, of Chatham county, said he fatally wounded Mrs. W. T. Hamlett at her home near Pittsboro.

Cabinet Of Blum Again Near Crisis

Paris, June 18.—(AP)—Premier Leon Blum's cabinet approached what may become its second crisis in three days today when the Senate Finance Committee again flatly refused to approve the premier's demands for full power over the country's finances.

The committee adopted its own limited measure in answer to Finance Minister Vincent Auriol's

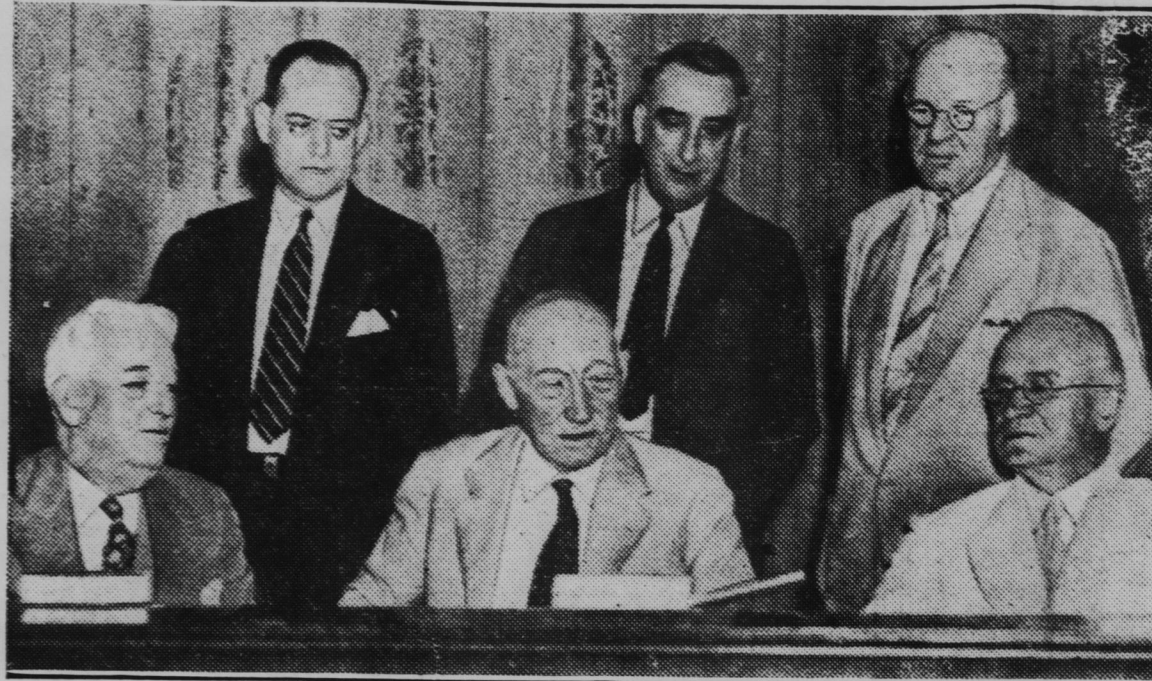
Recreation Business To Set Record This Summer

Babson Estimates American People Will Spend \$5,500,000 on Vacations, Which He Says Are Sound and Beneficial Investment for Any One

BY ROGER W. BABSON, Copyright 1937, Publishers Financial Bureau, Inc.

Babson Park, Mass., June 18.—The coming three months will set a new high-water mark in the recreation business. More people will spend more money on their vacations this year than ever before.

If You're a Millionaire, Watch Out for Them



These Representatives, members of a joint Senate and House investigating committee are charged with uncovering tax evasions. Left to right are (standing) Jere Cooper, Tenn., Fred M. Vinson, Ky., Frank Crowther, N. Y. Sitting: Thomas H. Cullen, N. Y.; Robert Doughton, N. C. (chairman), and Allen T. Readway, Mass. (Central Press)

HOEY MIXES GOOD POLITICS, ABILITY

His Appointments Have Rewarded Regulars and Yet Capable Men

COURT JOBS EXAMPLE

Barnhill and Bone Popular and Able; Winborne and Hamilton Same Way, Raleigh Observers Think

Daily Dispatch Bureau. In the St. Walter Hotel, Raleigh, June 18.—Now that Governor Clyde R. Hoey has shaken most of the more choice political plums from his personal plum tree—only the State School Commission plums now remaining on the almost barren branches—most observers here agree that the smiling, long-haired sage from Shelby is not only adept at selecting appointees who have real ability and witness for their jobs, but in seeing that their political backgrounds are such as will help solidify the party.

Governor Hoey believes first, of course, in selecting men who are fitted by experience and temperament for the jobs to be filled and so far most observers agree that he has placed fitness and ability ahead of all other considerations. But Governor Hoey also belongs to that school of Democratic politics which believes that to the victor belong the spoils and that the best way to make the young colts be good and stay within the shafts of the party buggy is to give the "regulars" the lumps of sugar and not to pass it out to those which kick the dashboard and bust hamstrings. He undoubtedly believes that one of the best ways to bring the younger and more obstreperous colts around so they will pull together with the older draft horses pulling the Democratic band wagon, is to reward these work horses after they have demonstrated they had the stuff and could deliver the goods. It is also evident that Governor Hoey believes it is good policy and good politics to bestow his plums, whenever possible, upon those who are popular and have large personal followings in their respective counties.

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Highway Patrolman And Negro Killed In Battle On Road Near Goldsboro

Policeman I. T. Moore, 27, Killed on Stopping One-Light Car, Mounting Running Board

ANOTHER NEGRO IS BELIEVED WOUNDED

Negroes Flee as Other Officers Open Fire on Them; Moore from Roanoke Rapids; Shooting Occurs About 3:30 a. m.; Capt. Farmer Reaches Scene

Raleigh, June 18 (AP)—Highway patrol headquarters here this afternoon received word from officers at Goldsboro that two Negroes who fatally wounded Patrolman I. T. Moore early today had been identified as Lester Cox and Frank Cox, brothers and that Frank Cox was the man found dead three quarters of a mile from where Moore was shot.

MAIL TO STRIKERS CALLED IRREGULAR

Something Said in Defense of Refusal to Deliver Mail There

By CHARLES P. STEWART Central Press Columnist

Washington, June 18.—Senator Kenneth McKellar of Tennessee is a first-rate investigator of charges that the Post Office Department is blame-worthy for its refusal to deliver supplies by parcel post to strike breakers shut up in picket-beleaguered steel plants.

Of course, McKellar is not the only investigator; all the other members of the Senate's Post Office Committee are participants in the inquiry.

Lumberton Trials Set For Monday

Lumberton, June 18.—(AP)—Trial of seven men charged with assaulting a non-union mill employee at a labor meeting was postponed until 2 p. m. Monday by Recorder Leslie Huntley today when counsel pleaded there had been no time to prepare a defense.

GAINS AGAIN SHOWN IN COTTON TRADING

Higher Cables Trade Buying and Covering Boost Market During Day's Trading

New York, June 18.—(AP)—Cotton futures opened steady, up three to five points on higher Liverpool cables, trade buying and covering, October, which had eased from 12.12 to 12.04, was 12.06 shortly after the first half hour, when prices were one point net lower to one higher. By midday October recovered from 12.05 to 12.08, with quotations generally one to two points net higher.

Table with columns for Open, Close, and various dates (July, October, December, January, March, May) and corresponding values.

CHARLES LAUGHTON, MOVIE STAR, AMONG BIG INCOMES CITED

Jacob Schick, Former Army Colonel, Another Who Worked With Foreign Companies

COMMITTEE CALLS FOR EXPENSE FUND

Wants \$50,000 To Carry on Its Probe Into Who Beat Uncle Sam Out of His Money; Steel Strike Fought Over Again Before Postal Committee

Washington, June 18.—(AP)—A Federal tax investigator named Charles Laughton, the actor, and others today as typical of those avoiding income taxes through foreign corporations.

Laughton reduced his Federal tax bill by turning over his Hollywood earnings to a British company, Elmer Irey, head of the Treasury's tax investigation unit, told a joint congressional committee investigating tax dodging.

Among a group of American business men Irey said had escaped the full weight of American taxes by forming foreign corporations was Jacob Schick, former army colonel and manufacturer of electric razors.

Irey interlarded his testimony with details of specific transactions, bringing numerous questions from committee members as he listed individual names.

He said these men had formed foreign companies: Phillip Deronde, associated with several New York financial institutions, and a participant in various steamship financing operations.

Julius Bache, whom Irey described as "a prominent New York capitalist" and Percy K. Hudson, a former member of the New York Stock Exchange.

The name of Wallace Groves, New York financier, also was brought in. Bache, Irey said, apparently acted on the "honest conviction that he was within his rights."

"Colonel Schick has served his country," Irey said.

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FURTHER RECOVERY IN STOCK MARKET

Government Intervention in Steel Strikes Inspires Confidence of Traders

New York, June 18 (AP)—Intervention of the government in the steel strike inspired further selective recoveries in today's stock market. In much slower dealings, utilities pushed upward with several oils, rails and specialties. Steels, motors and coppers inclined to hang back, although they improved near the fourth hour.

Bonds on the whole did better. Transfers approximated 700,000 shares.

American Radiator ... 20  
American Telephone ... 165  
American Tob B ... 77  
Anaconda ... 51  
Atlantic Coast Line ... 51 1-4  
Atlantic Refining ... 28 1-4  
Bendix Aviation ... 19 3-4  
Bethlehem Steel ... 81 1-2  
Chrysler ... 100 3-4  
Columbia Gas & Elec Co ... 13 1-2  
Commercial ... 50 3-8  
Continental Oil Co ... 15 5-8  
DuPont ... 153  
Electric Power & Light ... 16 7-8  
General Motors ... 50 3-8  
Liggett and Myers B ... 96  
Montgomery Ward & Co ... 49 3-4  
Southern Railway ... 32 3-8  
Standard Oil N J ... 66  
U S Steel ... 96

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BILBAO IS BURNING AS REBEL SOLDIERS ARRIVE AT CAPITAL

Ex-President Dies



Gaston Doumergue

FORMER PRESIDENT OF FRANCE PASSES

Gaston Doumergue Dies at 73 in Village of Birth; Twice Premier

Aigues-Vives, France, June 18.—(AP)—Gaston Doumergue, 73, former president and twice premier of France, died today in his native village.

The elderly statesman had lived in retirement among the vineyards of his countryside since he slipped quietly out of Paris November 15, 1934, at the end of his second term as prime minister.

"Papa" Doumergue, as he was known throughout France, was elected to the presidency in 1934, the first Protestant to hold that office under the third republic.

Despite that nickname, Doumergue was a bachelor until he was 67. He was married to Madame Jeanne Grave, a widow, just 12 days before he left the Elysee Palace at the end

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ABC Board To Ignore Protests

Raleigh June 18 (AP)—The State Alcoholic Control Board today authorized the Johnston County Liquor Board today to set up a store at Princeton despite objections of residents there.

Chairman Cutlar Moore pointed out the township in which Princeton is located, Boone Hill, voted dry by only 14 votes. He was given a petition this morning signed by 150 to 200 resi-

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Formal Entry and Seizure of Basque Industrial Center Matter of Only Few Hours

DEFENDERS RETIRE TO REAR POSITIONS

Government Flees to Reported Center 20 Miles to West; Military Administration Entrusted to Defense Junta; Insurgents To Close Last Avenue

With the Spanish Insurgents in the Suburbs of Bilbao, June 18.—(AP)—Bilbao, dotted with fires and scurrying government snipers, came under the very eyes today of thousands of leg-weary insurgent troops. They may enter the never-conquered citadel of the Basques in a matter of hours.

BASQUE DEFENDERS BACK TO REAR GUARD TRENCH

Basque defenders of Bilbao, their government already gone from the city, retired today to rear guard positions to the west as the besieging insurgents fought to close for good the only avenue of escape from the refugee-jammed capital.

In the full flush of his Bilbao successes, insurgent General Francisco Franco asked Great Britain for the belligerent rights which would give him a standing under international law and allow him to try a recognized blockade of his government foes.

The government of the semi-autonomous Basque provinces allied with the central Madrid-Velencia regime against Franco's insurgents, was said by its representatives at Bayonne, France to have left for "another point in Basque territory."

The ministers turned over the military administration to a defense junta which included three cabinet members. One report said the government had been established at the village of Trucios, about 20 miles west of Bilbao

U. S. Board Stops Wine Flow Here

Washington, June 18.—(AP)—The Federal Alcohol Administration served warning today steps would be taken to stop shipments into North Carolina of alcoholic beverages held illegal by the State's attorney general under North Carolina's new wine law.

Assistant General Counsel John O'Neill said Attorney General A. F. Seawell's ruling that the State's new wine law did not legalize many beverages offered for sale in North Carolina, on the grounds they had a wine base, empowered the alcoholic administration to stop shipments of such preparations into the State.

The wine law enacted by the 1937 legislature legalized fortified wines. Under its provisions some dealers in spirits offered prepared cocktails and other mixed drinks for sale on the ground they were "fortified wine."

Seawell ruled the new law did not permit fortification of wine drinks by gin or whisky, but only by brandy.

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CIO Trying To Bolster Morale Of Its Strikers

Spirited "Carry On" Shouted to Steel Workers To Counteract Swelling "Let's Call The Whole Thing Off" Chorus from Non-Strikers

Cleveland, Ohio, June 18.—(AP)—CIO shouted a spirited "carry-on" to its striking steel workers today to counteract a swelling "let's call the whole thing off" chorus from non-strikers who want to go back to work.

Hundreds of grim, brawny men gathered at Johnstown, Pa., last night and raised calloused hands in a united pledge to continue the strike against the Bethlehem plant three "for weeks and weeks," if necessary, to win a signed contract.

But the Johnstown picket lines were thinner; and plant officials reported work was going on "much better."



OUR WEATHER MAN

FOR NORTH CAROLINA. Partly cloudy, probably scattered thundershowers in north portion tonight and Saturday.